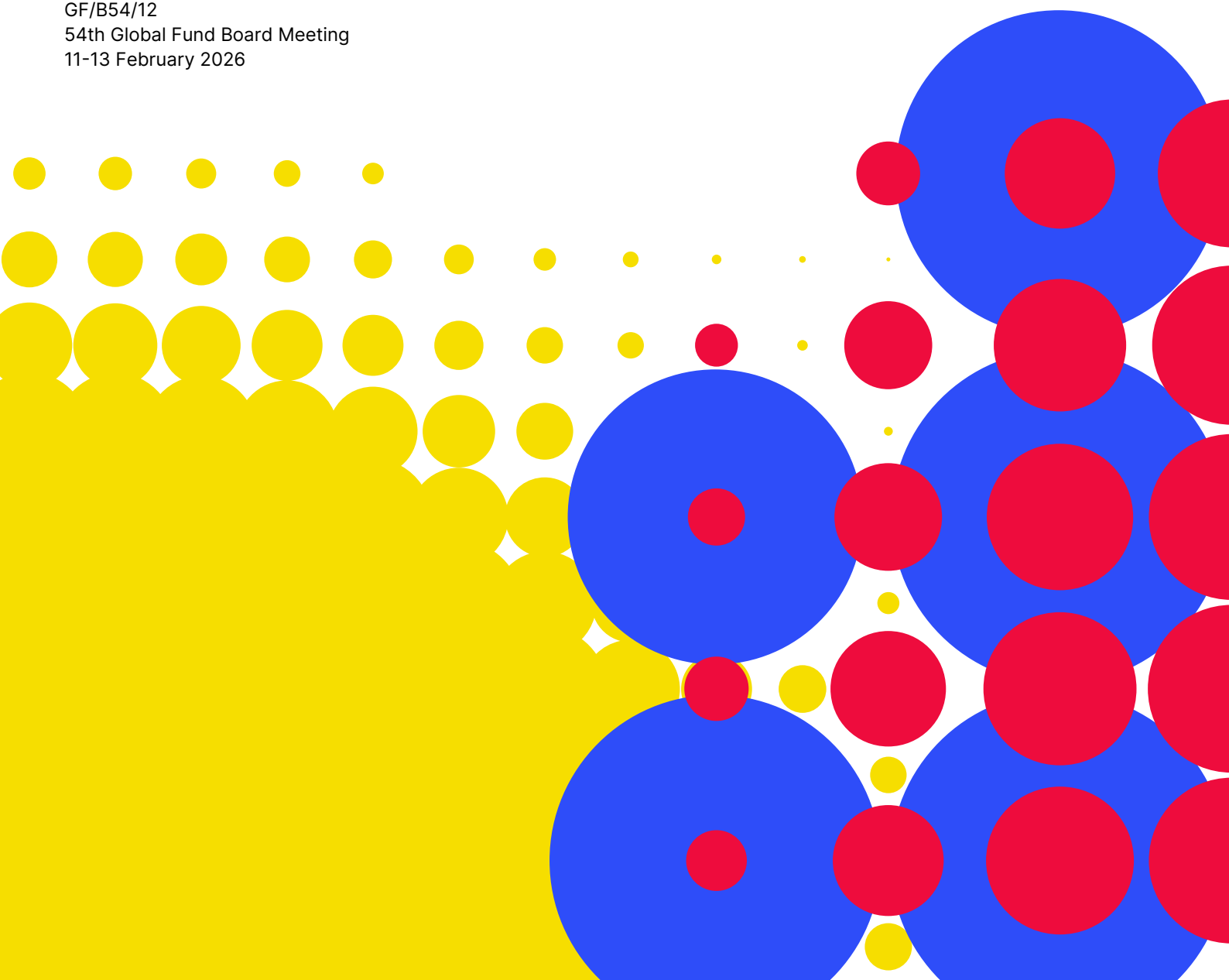


Global Fund Board Report
Office of the Inspector General

Operational Progress Report

January to October 2025

GF/B54/12
54th Global Fund Board Meeting
11-13 February 2026



What is the Office of the Inspector General?

- We safeguard the Global Fund's assets, investments, reputation and sustainability.
- We critically assess the organization's risk management, governance and internal controls.
- We investigate alleged Prohibited Practices, as defined in the *Policy to Combat Fraud and Corruption*, and violations of the human rights standards and instances of sexual exploitation and abuse, as defined in the applicable codes of conduct.
- We agree management actions to ensure the organization is taking the right measures and managing risks effectively in the fight against AIDS, tuberculosis and malaria.
- We report to the Global Fund Board through the Audit and Finance Committee.

63
Full-time staff



27
Primary nationalities



Global Fund languages spoken by OIG staff



English	100%	Russian	6%
French	48%	Arabic	6%
Spanish	18%	Portuguese	2%

Gender

44%
Female



56%
Male

Donor-Implementer

48%
Donor



52%
Implementer

Figures as at 31 October 2025

OUR STAFF have extensive experience in a wide range of professions including public accounting and assurance, risk management, health, law and law enforcement. We have worked in development banks, United Nations agencies, government departments, management consulting and strategic advisory, NGOs and anti-corruption organizations, as well as national audit offices with mature Value for Money methodologies.

Our staff hold a variety of globally recognized professional certifications and qualifications, and include Certified Internal Auditors, Certified Fraud Examiners, Chartered Accountants, Risk and Project Management experts, holding degrees ranging from Masters in Public Health, to Business Administration and Law. Our staff undergo extensive training annually to maintain their professional certifications and qualifications, as well as to develop strategic organizational priorities such as Value for Money.

**SPEAK
OUT
NOW!**

Learn about fraud, abuse and human rights violations

Our e-learning site, www.ispeakoutnow.org, contains a wealth of case studies, animated videos and quizzes about the different kinds of wrongdoing that Global Fund grants are exposed to, as well as a practical toolkit to help grant implementers fight fraud and corruption.

The OIG has published **twelve reports** as at 31 October 2025. In line with the Global Fund's commitment to transparency and accountability, reports are available on the [Global Fund website](#).

HOW TO CONTACT US

If you suspect wrongdoing connected with Global Fund grants, **please tell us**. Reporting to the Office of the Inspector General is **secure and safe**, and we will keep your identity **confidential**.

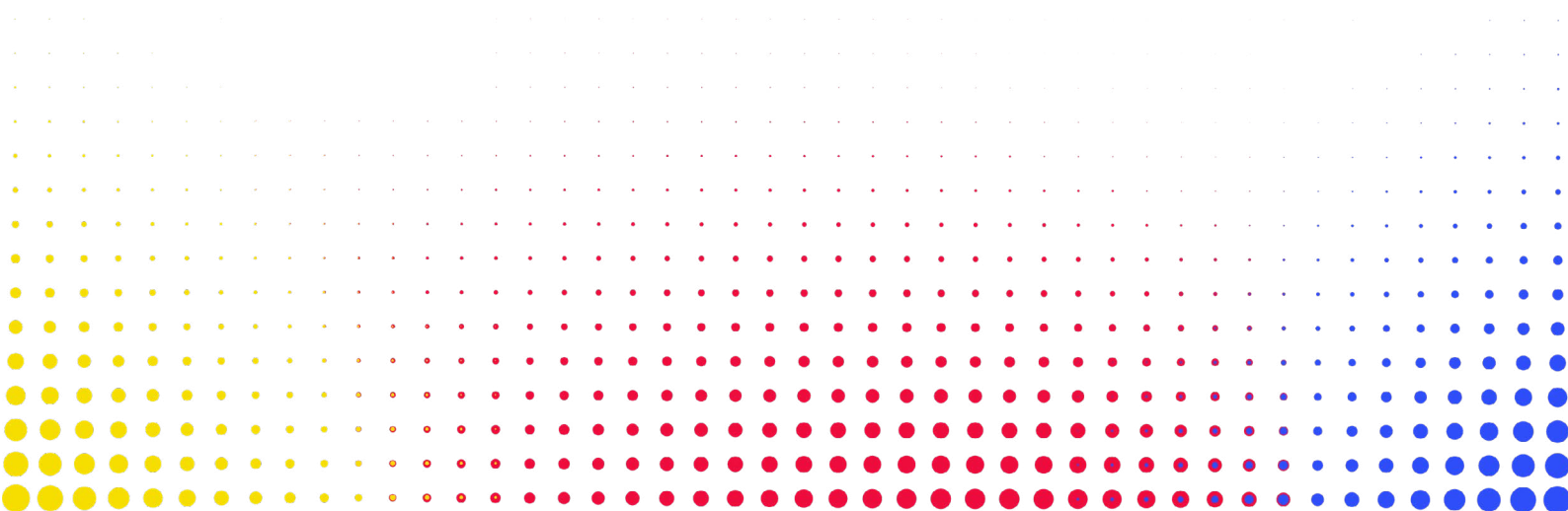
Email: hotline@theglobalfund.org

Online form: www.ispeakoutnow.org

Our reporting channels are available in English, French, Spanish and Russian.

Table of Contents

1. Foreword	04
2. Key Themes from OIG	05
3. Operational Progress update	10
3.1 Audit and Advisory	10
3.2 Investigations	12
3.3 Professional Services Unit	13
3.4 Outreach and Stakeholder Engagement	15
4. 2026 OIG Workplan, Budget and Key Performance Indicators	17
5. Annex	21
5.1 Staffing and Budget	21
5.2 Key Performance Indicators	22
5.3 Summary of 2025 Published Reports	28
5.4 Summary of Substantiated Cases Closed without Published Reports	30
5.5 Progress update on Agreed Management Actions	32



1. Foreword



Tracy Staines
(she/her)
Inspector General

In 2025, the level of upheaval in global health was unprecedented. Not even the most far-sighted observer could have predicted how the health financing landscape would be reshaped, with long-standing assumptions overturned, creating conditions that demanded bold and immediate action. The partnership was forced to rethink priorities, reconfigure its approach, and adapt to an operating environment transformed beyond recognition.

The year tested governance, financial discipline, and operational resilience, requiring difficult decisions to safeguard the mission and sustain progress against the three diseases. Adaptability became an existential necessity.

Yet, amid this turbulence, the Global Fund reacted decisively - reshaping its operating model, realigning assets and liabilities, streamlining grant processes and reorganizing internal teams - all while securing almost US\$12 billion in pledges, with further commitments expected from major donors. These actions show an organization capable of confronting its biggest risks and making tough choices to protect its mission. This reflects real-time risk management - turning uncertainty into decisive actions to safeguard programs and save lives—a capability that will be critical as we face an even more uncertain future.

We cannot afford complacency. The donor landscape is fragile, resources are constrained, and implementers face growing pressure to deliver more with less. As funding and oversight shrink, vulnerabilities - whether in governance, operational resilience, or accountability - intensify. Organizations will need to make harder choices, accept greater uncertainty, and manage risks that go beyond financial integrity, including conflicts of interest, procurement weaknesses, and safeguarding failures.

The OIG's 2025 work shows these risks remain tangible at the implementer level. While financial controls and country systems are improving, gaps in oversight and transparency still expose grant funds—and program impact—to risk.

While the swift adaptation, financial discipline and successful replenishment evidence savvy risk management, the current risk environment remains the most volatile in the Global Fund's history. **Managing operational risks is no longer enough;** the organization must adopt a holistic approach that prioritizes strategic risks - many beyond its direct control. The Secretariat has begun reforms to strengthen oversight and redirect resources toward these risks, but this work must accelerate.

Despite the headwinds, the Global Fund has made good progress in strengthening its internal operations and maturing its key controls and processes - however, even well-designed controls are vulnerable if poorly executed.

For information technology, OIGs forthcoming audit confirms that general controls and processes are effective, supported by dedicated teams that proactively enhance design and operations to address emerging threats, with robust data and access management controls in place - though their effectiveness depends on user compliance, an area the Secretariat is actively monitoring and strengthening.

Procurement practices largely align with policy principles to ensure fair supplier selection, and recent updates to the procurement policy and manual address prior inconsistencies, marking clear progress.

Human resources processes for recruitment and contract management generally follow established procedures, but oversight of staff benefits, particularly in monitoring external service providers requires significant improvement.

At the OIG, we have also had to remain agile and resilient - reconfiguring our approved plan in March, and continuously adjusting our workplan throughout the year to respond to evolving priorities and security challenges. Looking ahead to 2026, further disruptions, internal reorganizations, and constrained resources mean **adaptability will be essential.** Our ability to stay agile in planning, prioritization, and resource deployment will be critical to maintaining oversight and safeguarding the Global Fund's integrity in an increasingly volatile environment.

2. Key Themes from OIG

1. The Global Fund has demonstrated agility and resilience in navigating a fast-evolving global health landscape.

The external health financing landscape has shifted significantly since the start of the year. Uncertainty in donor pledge conversion, coupled with major shifts in partner support at country level, created existential challenges for the organization, its implementers, and its grant-financed programs. Aided by maturing organizational processes, **the Global Fund deployed significant risk-mitigating measures** to adapt its programs, structures and processes to the evolving context. These have helped the organization to navigate an unprecedented crisis, and to continue to deliver lifesaving services.

Assets and liabilities realigned, to support functional organization:

The Global Fund developed measures to ensure grant and corporate-level financial obligations remained aligned to expected fund flows. The Secretariat closely monitored funding sources, pledge conversions, and grant commitments through the Secretariat's Assets & Liabilities Management (ALM). With uncertainties in pledge conversion rates and payment timelines, the Secretariat forecast a potential mismatch between grant commitments and available resources, and took decisive and timely action through ALM mitigation measures. These included **strengthened liquidity and liability management, continuous donor advocacy for early pledge conversion, and operational measures to moderate the organization's financial obligations**, such as the reduction of Grant Cycle 7 (GC7) country allocations, phased implementation and program reprioritization, and a revision of Secretariat-level activities.

These efforts served as the starting point of a broader process to adjust the Global Fund's approach in a resource constrained environment, and to prepare countries to adapt to reduced grant funds. The Secretariat adopted both quantitative and qualitative approaches to ensure projected unexecuted grant funds were appropriately adjusted, in line with principles discussed with the Board. The OIG's Rapid Assurance Review of the *Reduction of GC7 Country Allocations* found that the process was appropriately designed and

implemented, with no material issues. There was a reasonable balance between speed of completion and robustness of the process, which was completed in under seven weeks.

Prior to the GC7 reprioritization, the Secretariat introduced measures to ensure grant savings and foreign exchange gains were safeguarded for reinvestment in critical activities, as needed. At the corporate level, non-essential travel and external recruitment were paused, to ensure operating expenses remained aligned with available resources.

Ongoing grant reprioritization:

The Secretariat employed a **streamlined grant revision process, to better align grants** to reduced country envelopes and changing priorities - the complex process to revise a multi-billion-dollar portfolio of grants was achieved within a short period. The OIG's Rapid Advisory Review on the *Adapted Grant Revisions Process*¹ found that the revised process was well designed. The OIG recommendations to refine the adaptations were duly considered when developing the process. Although many grant revisions had not been completed within the initial ambitious timelines, the OIG has commenced reviewing of grant reprogramming at country level, and will provide more insight on the effectiveness of this process by Q2 2026.

Ongoing reorganization of Secretariat teams:

The Global Fund's structures, capacity and capability are crucial to its delivery model. Recognizing the need to adapt its resourcing and capabilities to the evolving landscape, the Secretariat has begun to amend its internal structures, and to reorganize most teams. This includes merging departments, and reallocating staff across different teams. Teams are at different stages of restructuring, to ensure their capacity remains fit for purpose in a changing context. These changes are estimated to contribute to a **20% reduction in Secretariat operational expenses in 2026**.

1 The OIG provided ad hoc advisory input during the development of the revised grant revision process. As this was informal guidance rather than a formal engagement, no published report was issued

Making significant changes in staff capacity, at a time when many critical aspects of the Global Fund's future remain uncertain, brings inherent risk, especially heading into 2026 – a grant making year for Grant Cycle 8 and final implementation period for most GC7 grants. The Secretariat has designed an approach to manage changes and reduce risks. The OIG's planned 2026 review of reorganization processes aims to provide more insight into the effectiveness of these risk management measures.

Looking ahead, the global health landscape will likely remain volatile, with ongoing disruptions at global and country level affecting services to beneficiaries. **The Global Fund will need to continuously monitor and adapt its operating model, structures and implementation modalities**, including potentially integrating service delivery into existing national and community systems. At the Secretariat level, progressive options need to be considered, including having appropriate level of technical capabilities, expanding shared service capabilities, and deepening collaboration with other global health institutions.

The Global Fund was agile and resilient in an uncertain environment.

2. The Global Fund's comprehensive risk management framework needs to evolve in view of increasing strategic risks.

The current risk environment is the most volatile in the Global Fund's history. The measures outlined above show that the partnership has taken appropriate steps to manage the most significant risks. This has been possible thanks to mature financial management processes, strong executive leadership, and effective resource mobilization under extremely challenging circumstances. The Secretariat's efforts were strengthened by lessons learned during the COVID-19 pandemic, when the organization needed to adapt its oversight and grant management practices, to ensure program continuity (as detailed in the OIG's audit of *Global Fund's Emergency Preparedness*, and audit of *Continuity and oversight of country programs during the COVID-19 Pandemic*).

The Global Fund's decision to adopt a rolling replenishment this year illustrates a pragmatic approach to mitigating material risks. While the target of US\$18 billion was not achieved, and the risk of pledge non-conversion cannot be eliminated, the amount raised demonstrates the strong trust and confidence in the Global Fund partnership, and the continued relevance of its mission, even in the most challenging circumstances.

The partnership will however face increasing strategic risks over the next five years, many of them outside the Secretariat's control. Acute funding shortages, at both the donor and the implementer level, could halt progress and threaten existing gains in the fight against the three diseases. The Secretariat has prioritized and continuously strengthened its monitoring of domestic financing for health commitments, which have reached US\$10.7bn total financial commitments, a 20% increase on GC6 baselines.² However, challenges remain in the ability of some implementing countries to honor their commitments, as well as weaknesses in tracking and timely use of funds by some national programs.

Another strategic risk facing the organization involves how to effectively reprioritize investments and responsibly transition countries away from Global Fund support. Addressing this risk will require a series of difficult mitigating actions - the successful implementation of the Sustainability Transition and Cofinancing policy will be critical to achieving this goal.

² Baseline represents equivalent realizations to the commitments, based on 89 countries with signed, finalized commitment letters in nominal terms. This sample does not include key countries with historically large commitments which are still pending submission. Source: GF Co-financing Database

Since its introduction in 2014, Enterprise Risk Management (ERM) has significantly strengthened policies, processes, tools, and oversight. This has helped the organization navigate rapid shifts in the global health landscape, including the COVID-19 pandemic and changes in the partnership ecosystem. In order to remain resilient, the approach must **shift from primarily managing operational risks, to a holistic ERM framework** - one that prioritizes the most critical risks to strategy, objectives, and mission. This evolution offers an opportunity to further strengthen the model, leverage risk intelligence more effectively, and embed risk appetite into decision-making.

Adapt the risk management model to the changing landscape and organizational context:

The Secretariat's current risk management model relies on an extended oversight approach, with both the Risk Department and functional teams sharing monitoring responsibilities. This model was introduced when front-line risk management capacity was limited. The organization has since matured: roles and responsibilities are now well defined, operational teams confidently apply risk concepts in daily work, and second-line oversight is provided by technical teams alongside the Risk Department. This creates an opportunity to **streamline operational risk monitoring**, and redirect resources toward **strengthening the management of strategic risks**.

The OIG's advisory review of *Global Fund Risk Management processes for country-facing risks* identified several challenges: underutilization of the Integrated Risk Management (IRM) system, activities focusing more on compliance than on supporting decision-making, and the limited value of some monitoring mechanisms. For example, while Country Portfolio Review (CPR) and the Portfolio Performance Committee (PPC) provide forums for senior-level risk discussions, their effectiveness is mixed, and they overlap with other committees, such as the Grant Approval and Executive Grant Management Committees. Moreover, the effort to prepare for CPR and PPC often outweighs the benefits. Second-line teams vary in terms of maturity: compliance-focused teams such as Finance, Risk and Ethics provide stronger oversight than advisory focused teams such as Monitoring and Evaluation, Technical Assistance and Partnerships including RSSH and CRG. This varying approach to risk management reduces the overall monitoring effectiveness. These factors highlight the need to streamline internal oversight and monitoring, for more efficient decision-making.

Enhance use of risk appetite and risk reporting for decision-making:

Risk appetite reflects the level of risk an organization is willing to accept in pursuit of its objectives, balancing both potential gains and potential losses. The Global Fund's Risk Appetite Framework represents an important step forward, but embedding it into decision-making has proven challenging. The OIG's advisory report on *Global Fund Risk Management processes for country-facing risks* identified key barriers affecting the operationalization of the framework, including limited guidance on trade-offs, undefined scales, lack of portfolio-level indicators, and insufficient stakeholder understanding. As a result, its potential to guide decisions in a resource-constrained environment has not been fully realized, representing a missed opportunity for more informed and strategic decision-making.

Current risk reporting meets policy requirements but provides limited value for decision-making. The Organizational Risk Register (ORR) lacks agility and omits key risks (such as Resilient and Sustainable Systems for Health), and quarterly updates show minimal change. Misalignment persists between ORR ratings and Committee perceptions. While reporting quality has improved, there is room for better alignment on tailored content, regional risk insights, and rating methodology. At Secretariat level, risk intelligence remains underused for strategic trade-off decisions. **Stronger and more effective coordination among risk-related enabling functions** (the Risk team, OIG, Evaluation & Learning, and Ethics) could deliver more comprehensive assurance, and reduce duplication.

The Secretariat has initiated reforms to strengthen its risk management, including reorganizing the Risk Department, and merging it with the Ethics team to streamline senior management oversight and improve efficiency. Under the refreshed model, front-line teams will assume full accountability for portfolio-level risk management, while the Risk Department will provide oversight through exception reporting. All second-line roles will be consolidated under the Risk Department, with full implementation expected by end-2026. In parallel, the Risk Appetite Framework and related operational metrics are being revised, to support strategic decision-making and oversight. Risk typologies are also being adapted, to clearly delineate Board and Committee oversight of enterprise risks from management responsibilities.

3. Financial controls in Global Fund programs, and selected Secretariat processes, have generally improved, however country-level adherence remains limited.

Uncertainties in the global health ecosystem, combined with economic constraints and security challenges, are contributing to heightened fiduciary risks, as indicated in the Organizational Risk Register. The Secretariat has designed and implemented measures to manage these risks at both corporate and country level. While Global Fund assurance mechanisms are generally adequate, their effectiveness is undermined by the varying maturity levels of implementer controls, and undisclosed inherent conflicts of interest.

Varied maturity and limited implementer-level adherence to controls heightens fiduciary risks:

The Global Fund's mission requires the organization to work in contexts that pose significant risks, including material risks of fraud and corruption. To mitigate these, the Secretariat routinely assesses the capacity of grant implementers (including their oversight and internal control capabilities), and applies appropriate safeguards and assurance mechanisms to support effective grant implementation. OIG audits and investigations over the past ten years show that **financial controls at country level continue to mature, despite high inherent risks.**

For example, the OIG's *Audit of Global Fund Grants to the Republic of Mozambique* found that existing financial controls promote country ownership and long term sustainability. The grants managed by the Ministry of Health are integrated into Mozambique's public financial management systems, which has improved transparency and oversight by Mozambique's Supreme Audit Institution.

The audit of *Global Fund Grants to the Islamic Republic of Pakistan* found that all Principal Recipients reviewed by the OIG had robust financial controls, with no material unsupported expenditures identified, except for isolated instances of non-compliance with local processes for material procurements.

Despite overall progress, limited adherence to, and oversight over, defined controls by implementers persist, leaving grant funds vulnerable to fraud and abuse. For instance, the OIG's audit of *Global*

Fund Grants to the Federal Republic of Nigeria found that while the Secretariat has implemented measures to mitigate high fiduciary risks - including a robust finance assurance framework, internal audit functions at all Principal Recipients, and Fiscal Agent oversight for specific implementers - weaknesses remain. These included non-competitive procurement and inconsistencies in supporting documentation, driven by inadequate enforcement of internal controls, non-adherence to procurement guidelines, and insufficient rotation of Fiscal Agent financial experts embedded within implementer offices.

OIG Investigation of fraudulent practices in Global Fund-financed procurements in Malawi identified non-compliant expenditure of US\$125,901, largely due to the implementer's failure to keep adequate books and records. The lack of supporting documentation also prevented the OIG from confirming whether indoor residual spray interventions were implemented as reported.

Global Fund Regulations require implementers to ensure that the Code of Conduct for Suppliers and other relevant policies are communicated to all sub-recipients and suppliers. However, this requirement is not consistently enforced, and monitoring measures remain limited. As a result, investigations - including the *OIG Investigation of fraudulent practices in Global Fund-financed procurements in Malawi* have revealed multiple instances of non-compliance have revealed that applicable Global Fund standards are not consistently cascaded to sub recipients and suppliers reducing the Secretariat's ability to enforce such standards. The OIG and Secretariat are exploring measures to better manage the underlying challenges.

Managing conflict of interest remains critical in a heightened fraud and abuse environment:

The Global Fund's partnership model brings together diverse stakeholders - donors, private sector, communities, and implementing countries - whose interests often overlap. To safeguard integrity across governance and implementation processes, the Global Fund has established robust conflict-of-interest policies for all stakeholders. These policies aim to enhance transparency, trust and accountability throughout the grant lifecycle. However, OIG reviews increasingly reveal instances where **conflicts of interest were either not declared, or existing requirements were not fully enforced.** In some cases, undisclosed and unmitigated conflicts of interest have been exploited for fraud and abuse.

For instance, following concerns raised by the Country Team, our investigation report on *Fraudulent practices in selection of sub-recipients by a Principal Recipient (a Non Governmental Organization) in Tanzania* found that an implementer misled the Global Fund by failing to declare conflicts of interest between its management, the selected sub-recipient, and its bidding partner. This contributed to an untransparent and unfair sub-recipient selection process which ultimately affected service delivery. In response, the Global Fund implemented mitigating actions, including pausing implementation and transferring certain activities to another Principal Recipient. Several oversight investigations³ have identified undisclosed conflicts of interest, or non-compliance with conflict-of-interest policy, contributing to wrongdoing.

Recognizing the critical role sub-recipients (SRs) play in grant delivery, and the inherent challenges in their selection, the Grant Management Division requested the OIG to undertake an advisory review of SR management. The report, expected by end 2025, will support the Secretariat's effort to streamline and strengthen SR selection and management.

As the Global Fund prepares to adapt its processes in line with the significant financial constraints, it must **explore alternative risk response approaches, including risk acceptance** to achieve more programmatic impact in volatile operating environments.


At the Secretariat level, selected controls and processes reviewed by the OIG have significantly improved, but vulnerabilities remain:

Key organizational controls and processes continue to improve and mature.

For information technology controls, our forthcoming audit found that underlying general controls and processes are effective. Dedicated teams within the IT Department oversee, coordinate and manage controls are continuously enhancing their design and operations, in line with the rapidly evolving IT landscape and emerging threats; robust data and access management controls are in place, but their effectiveness depends on and could be impacted by end-user behavior - an area the Secretariat is monitoring and strengthening.

The OIG's audit of *Global Fund Human Resources Key Processes* found that employee lifecycle processes such as recruitment, contract extensions and separations are generally aligned with established procedures. However, controls over staff benefits require significant improvement: weaknesses in the oversight of external service providers who manage certain benefits contributed to US\$1.1 million tax equalization allowances being paid without sufficient supporting documentation. The Secretariat has developed corrective measures and strengthened controls, which are scheduled for implementation in 2026.

The forthcoming audit report on *Key Procurement Controls Over Health Commodities* found that the Secretariat's tendering processes align with procurement policy principles, and generally ensure competitive supplier selection. A new procurement policy and manual have been issued, with controls designed to address inconsistencies identified by the OIG.



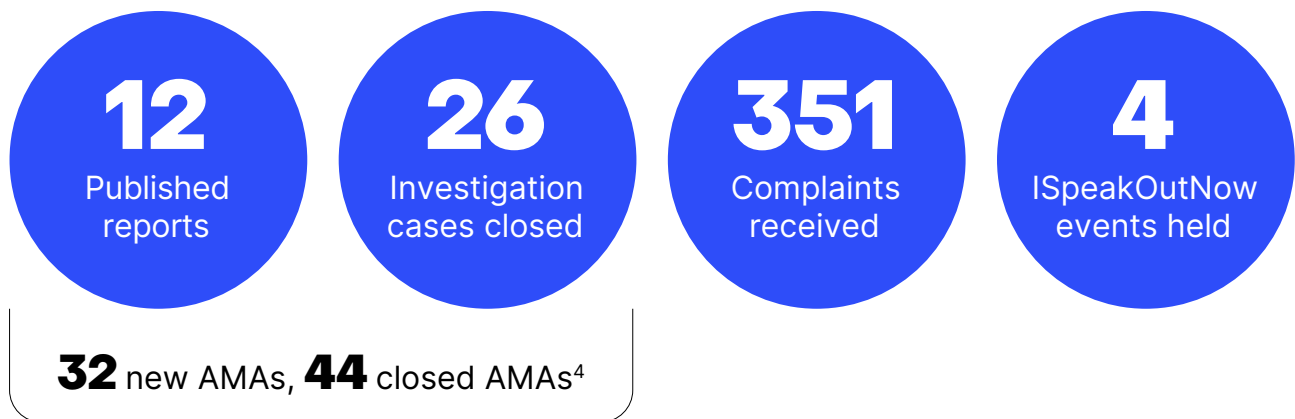
Stronger controls and selective risk acceptance are key to safeguarding resources and impact.

³ These are investigations performed by oversight functions of implementers with demonstrable capacity and closely monitored by the OIG. See Annex 5.4 for details

3. Operational Progress update

Early 2025 brought significant disruptions to global health systems, including funding challenges and operational setbacks for key Global Fund partners. In response, the OIG temporarily paused country audits, enabling the Secretariat and implementers to concentrate on mitigating disruptions and safeguarding life-saving services. By July 2025, the OIG presented an adapted workplan to the AFC, outlining revised priorities and agile approaches to deliver timely assurance for critical decisions. Since then, the OIG has advanced its workplan substantially, initiating and completing multiple audits, advisory reviews, rapid reviews. Complaints of wrongdoing have slightly leveled off in 2025. Investigation trends were steady across openings and closures, underpinned by disciplined intake practices and targeted reduction of aged cases.

Figure 1
Highlights of OIG activities for 1 January – 31 October 2025



3.1 Audit and Advisory

The 2024 workplan is mainly complete, with twelve country audits and two internal audits published. One remaining audit of *Key procurement controls over health commodities* is in the final reporting stages, having been delayed due to organizational restructuring at the Secretariat. It is expected to be published in Q1, 2026.

The unit has made steady progress on its adjusted workplan for 2025, which includes 10 audits and four advisories, as illustrated below:

4 The 44 AMAs refer to the period 01 January to 31 October 2025. Annex 5.5 shows year-on-year data from October 2024 to October 2025.

Figure 2

Audit and Advisory Workplan Status as at 31 October 2025

Rapid Assurance Review	Deallocation Approach	Completed
Rapid Assurance Review	Tanzania - In Country Reprograming	Fieldwork
Rapid Assurance Review	Zambia - In Country Reprograming	Fieldwork
Rapid Assurance Review	Mozambique - In Country Reprograming	Fieldwork
Rapid Assurance Review	Kenya - In Country Reprograming	Fieldwork
Rapid Assurance Review	Nigeria - In Country Reprograming	Fieldwork
Audit	Information Technology General Controls	Reporting
Audit	Indirect Procurement	Reporting
Audit	Review of the Evaluation & Learning Function	Reporting
Audit	Global Fund Approach to Managing Grants in High & Extreme Security Risk Settings	Reporting
Rapid Advisory	Adapted Grant Revision Process	Completed
Advisory	Risk Management Processes for Country-facing risks	Completed
Advisory	Enabling Operations Advisory	Completed
Advisory	Global Fund practices and processes for the selection and management of sub-recipients	Reporting

- At the Secretariat level, one rapid assurance review - *Reduction of GC7 Country Allocations* - has been published. Four internal audits are in advanced reporting stages and most likely to be published before the end of the year. The OIG paused key stages of some audits due to competing priorities at the Secretariat, including multiple organizational restructuring and the need to support countries to reprioritize grants. Any audit not completed by the end of the year will be completed in Q1 2026.
- Five rapid assurance country level reviews on reprogramming mentioned above - are ongoing. Visits to two of the five countries are expected to be completed in December 2025. Travel to the remaining countries has been deferred to January 2026, due either to ongoing delays in grant reprogramming processes or security considerations.
- All four advisory engagements have been completed, including the *Risk Management Advisory* published in late October 2025. An advisory Review of the *Selection and Management of Sub-Recipients* is expected to be published in Q1, 2026.

3.2 Investigations

In 2025, the Investigations Unit prioritized completing ongoing investigations, while intensifying proactive measures to disrupt and detect fraud before it takes root. This aligns with the OIG’s long-term aim to build a more resilient fraud detection framework that reduces reliance on whistleblower reports, and prevents systemic or material fraud.

Cases opened

The OIG opened **21 new cases** as of 31 October 2025, two fewer than during the same period in 2024. Two of these were opened because of OIG proactive investigation activities.

Investigations in progress

The OIG has continued its progress to reduce the investigation case load and focus on the most material and impactful investigations. As at 31 October 2025, the OIG has 35 (in comparison to 53 for the same period in 2024) active investigation cases:

- 14 of these are reactive, OIG-led cases, considered to be more material or complex: 13 are in the evidence-gathering stage, and one is in reporting.
- 18 are reactive oversight cases, led by oversight functions of implementers with demonstrable capacity, and closely monitored by the OIG.
- 3 proactive investigations, all in evidence gathering stage.

Cases closed and published

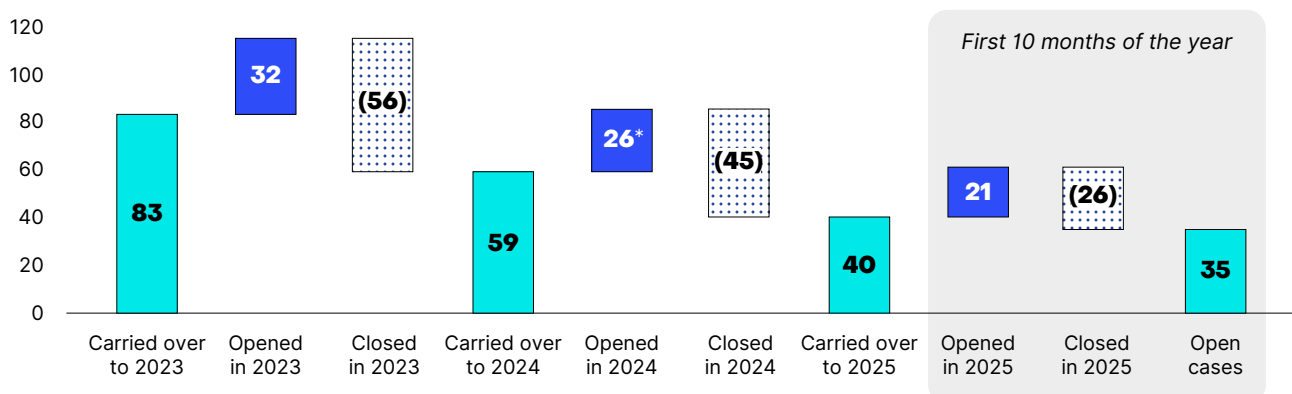
The OIG closed 26 cases in 2025. 14 of these cases (54%) were substantiated or partially substantiated with findings of Prohibited Practices.

Of the total cases closed, six cases resulted in finalized investigation reports. Four of these cases have been published in three reports (two cases were merged into one report), and two other reports are expected to be published in due course.

An additional eight cases were substantiated, with lessons learned shared with the Secretariat via Management Briefing Notes (see Annex 5.4 for more details).

As can be seen in Figure 3, the downward trend in carry-over cases from 2023 to 2025 demonstrates an improvement in OIG’s case management. This is attributed to a more robust intake process (see below Section 3.3 Case Intake and Screening), a focus on reducing aged cases, and the effective utilization of implementer-led investigations.

Figure 3
Investigation case evolution from 2023 - 2025



* 26 cases were opened for the full 2024 calendar year while 23 cases were opened for the period 1 January 2024 to 31 October 2024.

3.3 Professional Services Unit

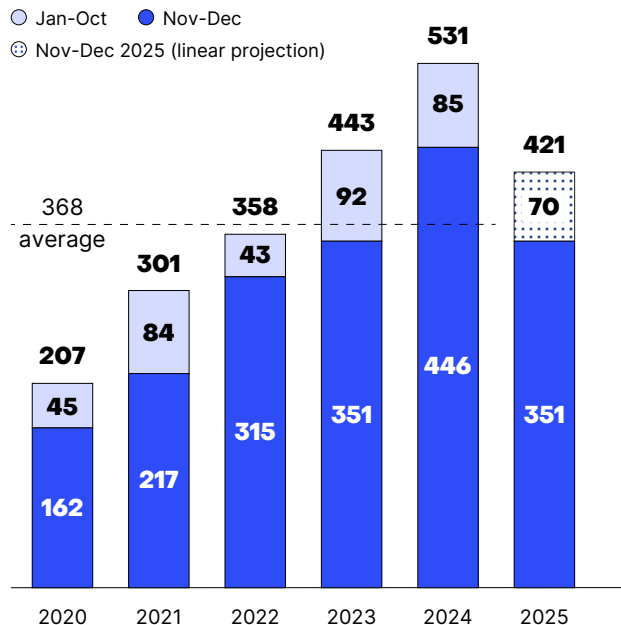
Case Intake and Screening

Complaints received in 2025 have stabilized after a growing trend in recent years. As of 31 October 2025, the OIG had received 351 new complaints, a 21% decrease over the same period in 2024. Although the year began in line with last year’s trend, we observed a noticeable inflection point from March, likely driven by funding disruptions impacting the Global Health sector. A similar decrease in complaints was observed during the early stages of the COVID-19 pandemic.

There were notably fewer complaints from four countries that historically contribute a significant share of complaints recorded. Also, there are fewer complaints reported by whistleblowers and the GF Secretariat, likely linked to reduced country engagement. Complaints reported by implementers and in-country assurance partners remain stable.

OIG estimates that the total number of complaints will be 421, which is 14% above the five-year average, as illustrated in figure 4.

Figure 4
Complaints evolution from 2020 - 2025



Spotlight: How technology drives efficiency in the OIG

1 Using technology to drive efficiency in active investigations

We used advanced analytics and machine learning to analyze and detect unusual patterns in hundreds of thousands of Mobile Money transactions in a short time saving over 80 staff hours. Our approach identified hidden anomalies such as spikes in duplicate payments and multiple phone numbers linked to multiple names. The techniques made it easier to detect hidden wrong-doing faster, accurate but most importantly a scalable approach to detect such schemes which may rise as the implementing countries increasingly adopt mobile money payments. In other instances, our text analytics capabilities enabled us to identify potential fraud red flags across multiple internal reports to inform OIG’s proactive review on a high impact portfolio. By proactively detecting anomalies, we were able to prioritize investigations early, strengthening our ability to safeguard integrity and mitigate risks before they escalate. In all cases human intelligence was leveraged to validate the output.

2 End-to-End Case Management System

We implemented a fully integrated Case Management system that streamlines the entire case intake and investigation process - from automatically recording whistleblower complaints to initiating assessments and converting them into investigation cases. All relevant documentation are automatically integrated into respective stages of the allegation/case to reduce dependence on people during case reallocation across teams and improve seamless collaboration between OIG teams and complaints. It further allows easy identification of trends and insights from OIG’s investigations.



Enhancing operational efficiency through technology

This year, we focused on driving innovation and efficiency across our audit and investigative processes. A major achievement is the implementation of our new case management system: a modern, streamlined platform that will serve as the foundation for managing investigations, improving collaboration and efficiency, and standardizing processes.

We also identified further opportunities for automation and implemented 'use cases' that enable our team to focus on high-value activities. To complement this, we invested in strengthening our team's proficiency with advanced technologies and tools, ensuring OIG staff are equipped to leverage these capabilities effectively and safely.

Quality and Operations

Following the successful External Quality Assessment, the OIG has focused on addressing and closing recommendations on time. Two out of the eight recommendations were due on 31st October 2025 and have been closed. The remainder are due in quarter 1 of 2026.⁵ A comprehensive update on recommendation progress will be provided in the 2025 Annual Report.

At the operational level, the team has leveraged investments in technology to generate improved risk insights, to inform the OIG risk assessment which underpins the annual workplan, country risk assessments, and proactive investigation reviews.

⁵ One of the EQA recommendations includes minor revisions to the OIG Charter for alignment to the new IIA standards. The OIG has completed its analysis, however conscious of the heavy pipeline of decisions required for AFC in 2025, it will put forward the updated charter to the AFC in 2026.

3.4 Outreach and Stakeholder Engagement

Memorandums of Understanding

Despite ongoing disruptions in the partnership landscape, collaboration with partners remained central to OIG operations for 2025. Collaboration agreements with GAVI and UNDP were renewed during the year, and new partnerships were established with the Liberian Anti-corruption Commission and the Asian Development Bank. An additional memorandum of understanding with the Drug Enforcement Commission of Zambia is in its final stages, expected to be signed in Q1, 2026.

Anti-fraud awareness

The OIG continued its outreach and capacity-building efforts to strengthen accountability and integrity practices across the partnership, albeit at a slower pace than previous years, to allow implementers to recover from the disruptions in early 2025. Four targeted anti-fraud awareness sessions were delivered to implementers, partners, civil society organizations, and country coordinating mechanisms, which reinforced the OIG's commitment to safeguarding resources and promoting ethical conduct.



OIG Team engaging with Liberian Auditing Commission

Industry training

Leveraging skills, best practices and lessons learnt within the partnership landscape through combined training interventions was a core focus area in 2025. In May 2025, the OIG partnered with oversight offices from other international organizations, including GAVI and WHO, to host specialized training on Digital Forensics, equipping participants with advanced skills for investigating complex cases. Further training with the same peer group took place in mid-November, focused on leveraging artificial intelligence for investigations, reflecting the OIG's commitment to innovation and continuous learning.

In June, the OIG co-hosted the Internal Audit and Integrity Group meeting with the State Secretariat for Economic Affairs of Switzerland (SECO). The two-day event included more than 15 Auditors General, and Heads of Audit and Investigations from international and UN organizations and donor governments, such as UNICEF, The World Bank, UK Foreign, Commonwealth and Development Office (FCDO), WHO and KfW, among others. Key topics included whistleblowing strategies, investigations in conflict areas, third-party investigations, anti-fraud policies, and the fostering of cross-sectoral dialogue and knowledge exchange.



2025 Internal Audit and Integrity Group Meeting co-hosted by Global Fund OIG and the Swiss State Secretariat for Economic Affairs - SECO

Engagement with Supreme Audit Institutions

The OIG sustained its engagement with Supreme Audit Institutions (SAIs) and in-country accountability bodies as part of broader Global Fund initiatives to strengthen public financial management. In November, Senior OIG representatives contributed to a four-day regional meeting in Dakar, Senegal, co-hosted by the Government of Senegal, Global Fund and GAVI, focusing on public financial management in Francophone Africa, and emphasizing the critical role of SAIs and enduring partnerships in country engagements.

RIAS 2025

Finally, Senior OIG representatives participated in the Annual Meeting of Representatives of Audit Services (UN/RIAS) event, joining over 50 international organizations and development banks to share best practices and lessons learned.

Through these efforts, and our commitment to innovative approaches such as rapid assurance and agile work-planning, the OIG is well positioned to contribute to promoting integrity, strengthening resilience, and fostering collaboration across the Global Fund partnership and beyond.



Global Fund Finance and OIG staff with Public Financial Management Officials from Francophone Africa in Dakar, Senegal – November 2025



RIAS 2025 Meeting in The Hague, Netherlands – October 2025

4. 2026 OIG Workplan, Budget and Key Performance Indicators

The 2026 workplan is structured to deliver risk-based assurance in a rapidly evolving global and organizational context. It seeks to balance country-level assurance with focused reviews of internal processes and strategic support for key decisions. This approach will drive programmatic impact, reinforce organizational resilience, and safeguard Global Fund investments and operations.

The current uncertainty makes risk-based planning very challenging: several priority initiatives - such as structural changes within the Secretariat, and the redesign of risk management framework - are currently underway, while the outcome of the 8th Replenishment will not be known until late 2025. To remain responsive, the workplan will therefore need to be continuously adapted to reflect the evolving risk profile and the outcomes of these ongoing initiatives and events.

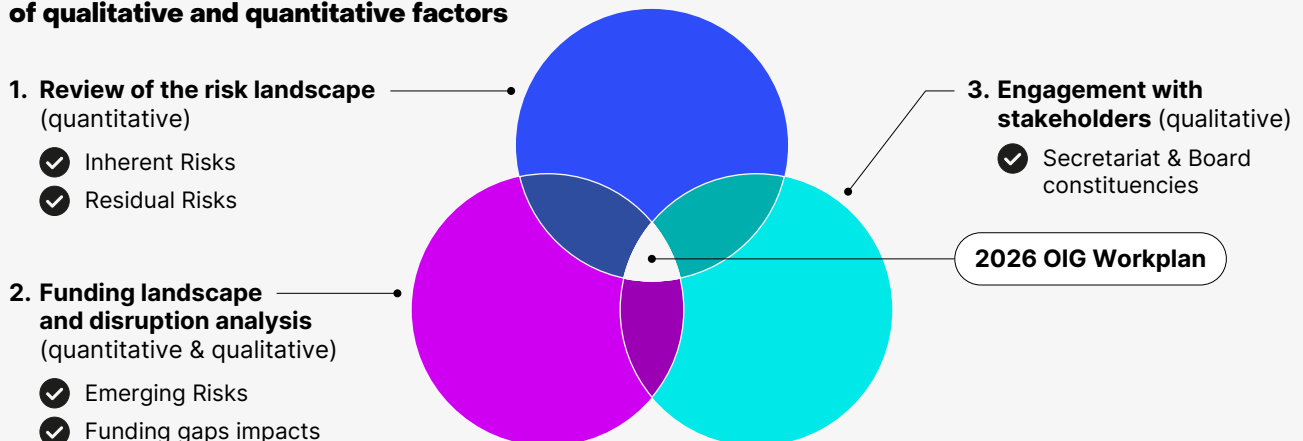
To ensure an agile and timely assurance response, the 2026 workplan will build on the rapid assurance and proactive investigative reviews trialed in 2025 to respond swiftly to evolving assurance needs. Learning from these pilots fed into the 2026 workplan to ensure that our evidence-based, quality assured audits, advisories and investigations remain as effective, efficient and timely as possible.

Work Plan Assessment Methodology

To determine its workplan, OIG follows a risk-based approach, considering the Global Fund strategy, organizational priorities and key risks. We perform both quantitative and qualitative analysis to identify and prioritize key portfolios, risks and processes for review; this includes extensive engagement with Board, Committee and Secretariat stakeholders to ensure inclusivity. Our methodology evaluates inherent and residual risks, emphasizing materiality, risk and other relevant factors. For 2026, our risk assessment also considered potential disruptions at the implementer level caused by the evolving partnership landscape (see figure 5) as part of our risk assessment.

The workplan also considers the work of other assurance providers, such as the External Auditor and the Evaluation and Learning Office (ELO) to avoid duplication and reduce overlaps. This ensures relevant risks are identified and addressed without overburdening country-level implementers and Secretariat staff at this critical time.

Figure 5
OIG Risk Assessment Process consideration of qualitative and quantitative factors



Country-Facing Assurance

In 2026, the OIG will audit **eight to ten grant portfolios**. These risk-based audits will be adapted to focus on the most prominent risks to those portfolios at the time, which will likely include disruptions due to funding shortages and reprioritization efforts.

A shortlist of countries to be audited has been identified in line with the risk assessment methodology (see figure 6). However, the list will likely change and be adapted based on several factors including ongoing OIG country reviews in Q4 2025, corporate and implementer priorities and the level and nature of disruption at the country level (eg challenging operating environment, funding gaps, political instability, etc).

Figure 6

Planned 2026 country audits (9 High Impact and 1 Core)

High Impact

DRC	Ethiopia	South Africa
Cameroon	Ghana	Zambia
Burkina Faso	Bangladesh	Philippines

Core

Liberia

Our investigative efforts in 2026 will include both reactive and proactive cases. We will aim to complete **three proactive reviews** in 2026 and estimate that we will conclude **18 high impact allegation-led investigations**. In addition, we will continue to strengthen and deepen our interactions with oversight offices of implementing partners to increase our reach and ensure that implementers conduct their own investigations, where feasible.

The OIG will aim to complete **six anti-fraud activities** which include intensified capacity building at the country level and fraud detection training for implementers in key program monitoring roles.

Secretariat-Facing Reviews: responsive to key organizational priorities

In 2026, OIG will perform **four internal reviews** targeting key secretariat processes.

- *Health Products Quality Assurance (carried over from 2024)*: this review will assess the Global Fund's approach and safeguards to ensure that medicines and health products procured and delivered to patients are quality assured.
- *Organization and Workforce Planning*: Given the organizational developments within the Global Fund Secretariat in 2025, this review will examine the effectiveness and efficiency of its reorganization and workforce planning processes.
- Two other reviews will be determined in 2026 based on the outcome of the 8th Replenishment and other key organizational changes including the completion of the 2025 internal Secretariat reorganizations. Following our consultations, several possible review topics are being considered such as Transition Preparedness, Sustainability and In-Country Assurance.

We expect to complete at least **three** advisories in 2026. A shortlist of topics has been drafted in response to organizational changes and input from the Board, Committee members and Secretariat staff. The list will be refined and agreed on an ongoing basis with the Executive Director.

In addition to the workplan, the OIG will assess the continued relevance of Agreed Management Actions (AMAs) and explore whether alternative mechanisms may better support the implementation and monitoring of actions arising from its work.

Agility and Adaptability

The OIG will implement an agile and timely workplan, drawing on a diverse set of assurance and advisory approaches (see Figure 7). These will be deployed flexibly and strategically, depending on evolving contexts, emerging risks, and corporate priorities.

Figure 7

Different tools to provide assurance and trusted advice

Risk based audit: Provides an opinion on the organization's risk management, governance and internal controls. Covers a wide range of topics at the Secretariat and implementation level, with a particular focus on issues related to Global Fund investments in-country, procurement and supply chain management, change management, and key financial and fiduciary controls. The specific scope is determined after the planning phase.



Rapid review: Provides limited, timely, risk-based assurance on a subject matter or process while it is being designed and implemented.

Suitable for countries experiencing disruption and/or undergoing grant revisions or significant processes under development.



Thematic review: Covers a specific topic or business process that affects multiple Global Fund investments across different country portfolios. It provides transversal deeper analysis across multiple sampled portfolios.



Reactive investigation: Following the receipt of an allegation, investigates a specific incident or issue in Global Fund programs or investments to determine whether fraud or abuse have occurred.



Proactive investigation: Aims to uncover whether material prohibited practices that were not subject of allegations of wrongdoing may have occurred and can be across country portfolios in a specific investment area or vice versa. It also include a forward-looking component of identifying potential risks and recommending targeted mitigation measures to strengthen current and future operations against those risks.



Advisory review: At the request of Board, Committee and/or Secretariat stakeholders, focuses on a specific business process or topic aimed at providing value-added input to improve the governance, risk management and control processes of Global Fund financed programs.



2026 Operating Budget

The OIG's 2026 budget of US\$13.2 million is a 16% reduction from the previous year - reflecting the broader constraints of the Global Fund's transitional budget and aligning with organization-wide efforts to streamline operational spending.

Despite increased assurance needs and reduced operational resources, the OIG remains committed to maintaining the quality and relevance of its work, while sustaining appropriate coverage across its oversight activities. This is enabled by strategic decisions not to fill vacancies in early 2025, internal efficiencies, and the expanded use of AI-driven tools - building on prior investments in data analytics and systems. These enhancements have streamlined workflows and minimized manual tasks, enabling sustained performance with fewer resources. The OIG will also continue to optimize its dual resourcing model, balancing Geneva-based staff with in-country consultants.

Figure 8
OIG 2026 Operating Budget⁶
(in thousands of US\$)

Category	2026	2025
Workforce	10,313	11,847
Professional fees	1,465	2,016
Travel	950	1,451
Communications	90	120
Depreciation	140	97
Meetings	25	28
Office and Infrastructure	191	211
Total	13,174	15,770

2026 Key Performance Indicators

Defining the OIG's KPIs for 2026 presents a considerable challenge due to the volatility and uncertainty of the current operating environment. This dynamic context necessitates a more agile approach to performance measurement - one that is inherently more complex to quantify than in periods of greater stability.

The OIG KPI framework will remain anchored in four strategic pillars—**Delivery of Core Assurance, Risk Coverage and Impact, Quality and Operations, and People**. At the same time, it will retain the flexibility required to adapt to evolving organizational priorities.

To support the 2026 workplan and budget, Annex 5.2 outlines the OIG KPIs. Most of the 2025 indicators remain relevant and will be carried forward with some undergoing minor adjustments to reflect anticipated shifts. Additional indicators will be further refined as organizational priorities become clearer. New KPIs have also been introduced to strengthen the monitoring of OIG activities and processes.

Recognizing that the risk landscape is likely to continue to evolve beyond 2025, the OIG intends to present further refinements to its KPI framework in Q1 2026, ensuring alignment with the organization's strategic direction. These will be reported to the AFC and to the Board in a timely manner.

The OIG's 2026 budget reflects a 16% cut, achieved through strategic efficiencies and increased use of AI, while maintaining high quality and relevant output.

⁶ Budget numbers are presented in the nearest thousand ("000s). The final approved operating expenditure budget for the OIG in 2026 is US\$13,173,773.

5. Annex

5.1 Staffing and Budget

Staffing

As of 31 October 2025, the OIG had 50 full-time staff equivalent, out of a budgeted headcount of 63 (including temporary C19RM resources). To support organization-wide efforts aimed at streamlining operational costs and ensuring a smooth transition to the 2026 budget, recruitments for the eleven vacant positions have been placed on hold. The remaining two positions relate to staff on medical or parental leave. The vacancies have not had a material impact on the OIG’s capacity and ability to deliver its mandate, as temporary professional resources have been hired to fill gaps and deliver on the OIG workplan. To stay agile and aligned with organizational priorities, the OIG will reorganize its team in early 2026. This will help us optimize resources, strengthen relevance, and maintain our leadership among oversight peers.

Budget

As of 31 October 2025, the OIG had spent US\$9.5 million (70%) of its operational year-to-date budget, based on budgeted exchange rates. The OIG forecasts that it will spend a maximum of 77% (US\$12.1 million) of its annual budget, due to a comprehensive reevaluation of the OIG workplan in Q1 2025, which included the postponement of country audits leading to an underspend in professional fees and travel. See Section 3 for more details.

Figure 9
OIG operational expenditure in US\$ thousands as of 31 October 2025

	2025 Budget	YTD Budget	YTD Actuals	Budget vs. Actuals	%	2025 Forecast
Workforce	11,847	9,873	8,860	-1,013	-10%	10,730
Professional fees	2,016	1,917	362	-1,555	-81%	616
Travel	1,451	1,431	130	-1,301	-91%	505
Meetings	28	23	5	-18	-78%	6
Communications	120	88	45	-43	-49%	76
Office Infrastructure	211	193	127	-66	-34%	160
Depreciation	97	76	8	-68	-89%	35
Total	15,770	13,601	9,537	-4,064	-30%	12,128

Budget and actual expenditure varied as following:

- Workforce had an underspend of US\$1 million year-to-date, due to the OIG’s decision not to fill existing vacancies.
- Professional costs and travel had the largest underspend by US\$1.6 million and US\$1.3 million, due to the postponement of country audit missions during this year. See Section 3.1 for more details.

Variances on other cost categories are minimal. In addition to operational expenditure, since 2022 the OIG has spent 84% of the US\$2.5 million additional funding received due to C19RM.

5.2 Key Performance Indicators

2025 Progress on Key Performance Indicators - Given the prolonged disruptions and significant uncertainties throughout 2025, the OIG paused country audits early in the year, and recalibrated its workplan to address the most critical and urgent assurance priorities. In this rapidly evolving context, several KPIs originally designed for a 'business-as-usual' environment are no longer realistic or relevant. The OIG remains committed to agility, and to delivering assurance activities aligned with the organization's changing risk profile, in accordance with professional standards.

A. Delivery on Core Assurance

Performance objective	Progress as of 31 October 2025	2026 Performance Objective
A.1 Response to Complaints		
On average, triage and complete assessment of complaints received within 60 days.	<p>Met</p> <p>Completed the screening and assessment of complaints in 50 days - in line with the KPI.</p>	<p>No change</p> <p>On average, triage and complete assessment of complaints received within 60 days.</p>
A.2 Investigations		
A2.1 Close 50% of investigation cases opened at the end of the previous year.	<p>Met</p> <p>Closed 55% of investigation cases (22 of 40) open at the year end. In addition, the unit closed 6 out of the 23 new cases opened in 2025.</p>	<p>No change</p> <p>A2.1 Close 50% of investigation cases opened at the end of the previous year.</p>
A2.2 Average of 14 months to complete investigation cases for non-published cases closed during the current reporting period	<p>In Progress</p> <p>It took on average 15 months to close non-published investigation cases until the end of October 2025, an improvement compared to 15.7 months during 2024.</p>	<p>No change</p> <p>A2.2 Average of 14 months to complete investigation cases for non-published cases under A2.1.</p>
A2.3 Case substantiation: 70% substantiation rate for OIG investigation cases closed during the current reporting period	<p>Needs Attention</p> <p>54% of the cases closed during the reporting period (including published cases) were substantiated.</p> <p>We expect this percentage to improve by year end, but the KPI will likely not be achieved.</p>	<p>No change</p> <p>A2.3 Cases substantiation: 70% substantiation rate for OIGs investigation cases under A2.1.</p>
A2.4 Issue at least 5 investigation reports to the AFC and Board on average on a 3-year calendar	<p>In Progress</p> <p>12 investigation reports (from 13 cases) were issued to the AFC & Board from 2023 to date, an average of 4 reports/year.</p> <p>In 2025, we issued 5 investigation reports, reflecting six investigations cases, to the AFC and Board, with two cases pending publication. This is a significant increase compared to 2 investigation reports issued in 2024.</p>	<p>No change</p> <p>A2.4 Issue at least 5 investigation reports to the AFC and Board.</p>

Performance objective	Progress as of 31 October 2025	2026 Performance Objective
A2.5 Average of 20 months to produce an investigation for publication, from case intake to Stage 5.2 – Final Draft Report to Audit and Finance Committee.	<p>Not Met</p> <p>It took on average 33 months to produce an investigation report. Outlier cases negatively impacted the average, largely due to case complexity, including a need to expand the scope of initial reviews and extended engagement with the Secretariat in the final stages before publication.</p> <p>The year-on-year reduction in case backlogs will result in reduced averages over time. The OIG is also working with the Secretariat on new solutions to reduce persistent, inherent challenges and related delays in the reporting phase.</p>	<p>No change</p> <p>A2.5 Average of 20 months to produce an investigation draft report for publication under A2.4.</p>
A2.6 10 awareness-raising activities to be completed in a calendar year.	<p>Needs Attention</p> <p>4 awareness-raising events took place so far in 2025. We expect this to improve by year end, but the KPI will likely not be achieved.</p>	<p>KPI target revised</p> <p>A2.6 6 awareness- raising activities be completed in a calendar year.</p> <p><i>Fewer awareness-raising activities are planned, reflecting a strategic shift from broad fraud campaigns to targeted, hands-on training. This approach emphasizes practical skills, real-world scenarios and tailored guidance - empowering implementers to actively detect and respond to fraud, and fostering sustainable capacity.</i></p>
		<p>New KPI</p> <p>A2.7 Complete 3 proactive investigations reviews per year.</p> <p><i>Based on ongoing lessons learned from the pilot proactive review in 2025, a new KPI has been approved to monitor the activity.</i></p>

A.3 Audit and Advisories

<p>1.a. (i) Issue 3 out of 4 audits in draft (SEM - Stage 4) by 31 December 2025.</p> <p>(ii) Issue 5 out of 6 rapid assurance reviews in draft (SEM - Stage 4) by 31 December 2025.</p> <p><i>NB: The KPI has been updated to align with OIG's revised assurance plan, which was communicated to the AFC in July 2025. The revised KPI preserves the original intent of the KPI and remains based on 75% of the workplan.</i></p>	<p>In Progress</p> <p>Due to the unprecedented disruptions this year, the OIG presented an adapted workplan to the AFC in July and October 2025, outlining revised priorities and agile methods to deliver timely assurance for critical decisions. The KPI has been adjusted accordingly.</p> <p>(i) Three audits have been issued in draft as of 31 October 2025 meeting the revised target for the year.</p> <p>(ii) One rapid assurance review has been completed and published. However, reviews in the countries have been delayed due to ongoing reorganization at the secretariat as well as country level program reprioritization and security challenges. The KPI is off track and unlikely to meet the revised target by 31 December 2025. See Section 3.1 for more details.</p>	<p>KPI target revised</p> <p>A3.1 Issue reports in draft (SEM Stage 4) for 80% (estimated at 11 out of 14 based on the approved 2026 workplan) of the current year's audit plan by end of the year.</p> <p><i>The anticipated number of audits is likely to vary due to ongoing uncertainties and shifts in the organization's risk profile. To improve measurement, the KPI target has been amended to reflect a percentage of the revised workplan rather than a fixed number of audits.</i></p>
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Performance objective	Progress as of 31 October 2025	2026 Performance Objective
1.b. Publish at least 16 audits in a calendar year, on a rolling three-year basis.	<p>Impacted by Audit Plan Adjustments</p> <p>As of October 2025, we published eight audit reports, the majority coming from the 2024 workplan</p> <p>While on average we published 16 reports in the last two calendar years, we expect to publish a lower number of reports in 2025 than in previous years, due to the adjustments to the 2025 audit workplan.</p>	<p>KPI unchanged but likely to be revised</p> <p>A3.2 Publish at least 16 audits in a calendar year on a rolling three-year basis.</p> <p><i>Given the evolving risk landscape and organizational volatility, the OIG's reactive and flexible assurance approach may result in fewer published audits over the three-year rolling period. However, coverage will be maintained by tailoring assurance activities to the most critical and emerging risks.</i></p>
1.c. Issue 90% of audit reports in the 2024 annual workplan to the Audit and Finance Committee by 31 March 2025.	<p>Not Met</p> <p>At the end of March 2025, 57% of audits in the 2024 workplan had been issued to the AFC. While all audits had been issued in draft - Stage 4 - by the end of 2024, delays were experienced by the countries and the Secretariat due to the funding disruptions at the start of 2025 to respond to audits as per the <i>Stakeholder Engagement Model</i>. This had subsequently increased to 93% (13 out of 14) by June 2025, and remains the case as of 31 October 2025.</p> <p>The remaining audit of Key Controls over Health Products and Commodities Procurement is expected to be issued to the AFC before end-2025.</p>	<p>No change</p> <p>A3.3 Issue 90% of audit reports in the 2025 annual workplan to the Audit and Finance Committee by 31 March 2026.</p>
1.d. Publish all audit reports in the 2024 annual workplan by 30 June.	<p>Not Met</p> <p>At the end of June, 93% of audit reports from the 2024 workplan had been published.</p> <p>The Key Controls over Health Products and Commodities Procurement audit has been finalized and expected to be published in December 2025.</p>	<p>No change</p> <p>A3.4 100% of Audit reports from the previous year's workplan completed by 30 June of the ensuing year.</p>
2. Issue at least 3 advisory reports in draft (SEM Stage 4) during the year.	<p>Met</p> <p>Three advisory reports have been issued as of 31 October 2025.</p>	<p>No change</p> <p>A3.5 Three Advisory reports issued in draft per year.</p>

B. Risk and Impact

Performance objective	Progress as of 31 October 2025	2026 Performance Objective
<p>B1. Audit coverage: Cover at least 75% of allocation and 75% each of HIV, TB and malaria disease burden over 3 calendar years, including the current year of assessment.</p>	<p>Impacted by Audit Plan Adjustments</p> <p>This KPI provides a proxy on country-level assurance activities. At the end of December 2024, the 2022-2024 audit cycle had covered:</p> <ul style="list-style-type: none"> 60% / 73% / 71% of HIV, TB, and malaria 68% of the current allocation (2023–2025) and C19RM funds. <p>The OIG adapted its audit workplan for 2025 in view of the unprecedented disruptions at country level. Country audits have been largely paused for 2025. Rapid reviews of reprogramming in five countries are in progress, however there is a high possibility that missions will have to be postponed into 2026 due to security risks and program disruptions, and therefore for 2025 the OIG will likely not meet the 3-year target.</p>	<p>KPI unchanged but likely to be revised</p> <p>B1 Audit coverage: Cover at least 75% of allocation and 75% each of HIV, TB and malaria disease burden over 3 calendar years, including the current year of assessment.</p> <p><i>The KPI remains relevant, and OIG intends to maintain it as a baseline for continuity and comparability but will be potentially adapted in December 2025 to align with:</i></p> <ul style="list-style-type: none"> Anticipated shifts in country funding allocations and organizational priorities and; Emerging changes in the organizational risk profile. <p><i>This approach allows the KPI to remain focused on strategic priorities while adapting to evolving operational realities.</i></p>
<p>B2. Assurance activity on 100% of risks rated as high and very high in the Organizational Risk Register (ORR) over 3 calendar years including the current year of assessment.</p>	<p>On Hold</p> <p>Based on the updated 2025 workplan, the OIG aims to maintain full coverage of high and very-high risks across the 2023–2025 cycle. However, the Risk Department is currently refining its methodology for measuring risk levels at both enterprise and operational tiers. Once this work is finalized, the OIG will review its approach to risk coverage and propose an updated KPI to the AFC in 2026 to ensure alignment with the new framework.</p>	<p>KPI unchanged but likely to be revised</p> <p>B2 Assurance activity on 100% of risks rated as high and very high in the Organizational Risk Register (ORR) over 3 calendar years including the current year of assessment.</p> <p><i>The KPI remains relevant. The OIG intends to maintain full coverage of high and very high risk areas. However, the KPI will be refined and potentially adapted in Q1 2026 following the expected finalization and adoption of the new risk taxonomy by the Audit and Finance Committee.</i></p>
<p>B3. 60% of Agreed Management Actions are remediated by the Secretariat by their due date, over a rolling 3-year cycle.</p>	<p>Not Met</p> <p>Only 20% of AMAs were closed on time during the last 3 years (November 2022 to October 2025). See Annex 5.5 for more details.</p> <p>In 2026, the OIG will review the feasibility and effectiveness of the Agreed Management Actions (AMA) process and related KPIs, with the aim of strengthening implementation and enhancing impact measurement. This review will be conducted in close collaboration with the AFC and the Board and may also explore alternative mechanisms to ensure accountability and drive meaningful results.</p>	<p>KPI unchanged but likely to be revised</p> <p>B3 60% of Agreed Management Actions are remediated by the Secretariat, by their due date, over a rolling 3-year cycle.</p> <p><i>The OIG will be reviewing its approach to monitoring and tracking AMAs for greater impact in the coming months and expect to revise this KPI in Q1 2026.</i></p>

Performance objective	Progress as of 31 October 2025	2026 Performance Objective
B4. Recoveries identified or significant lessons learned from 100% of OIG-led substantiated cases.	<p>Met</p> <p>100% of substantiated OIG-led cases identified non-compliant expenditure eligible for recovery, or had lessons learnt through agreed management actions.</p>	<p>No change</p> <p>B4 Recoveries identified or significant lessons learned from 100% of OIG-led substantiated cases.</p>
B5. Stakeholder Engagement Satisfaction:	<p>Met</p>	<p>No change</p>
1. 80% overall satisfaction score from engagement satisfaction surveys conducted.	<p>The OIG scored an 85% satisfaction rate for audit & advisory engagements surveys sent in 2025 to date.</p> <p>Not Due</p>	<p>B5 80% Satisfaction scores achieve on</p> <ul style="list-style-type: none"> • Audit and advisory engagement • Annual Board & AFC survey <p>Anti-fraud activity post-event surveys.</p>
2. 80% overall satisfaction score from Board and Audit & Finance Committee.	<p>The KPI will be measured after the end of the year.</p> <p>Met</p>	
3. 80% overall satisfaction score from post event surveys conducted for anti-fraud awareness activities.	<p>98% overall satisfaction score for events to date where satisfaction surveys were rolled out.</p>	

C. Quality and Operations

Performance objective	Progress as of 31 October 2025	2026 Performance Objective
C1. Costs managed within 10% of the approved budget.	<p>Impacted by Audit Plan Adjustments</p> <p>This KPI tracks responsible use of the OIG's budget. As of 31 October 2025, OIG actual expenditure was 30% under the year-to-date budget, mainly due to the postponement of country audits planned for Q1 2025. The OIG estimates spending maximum 77% of the annual budget by end 2025 and will not meet this KPI.</p>	<p>No change</p> <p>C1 Maintain operational expenditures within ±10% of the approved budget.</p>
C2. 100% of Agreed Management Actions (AMAs) tracked and validated within 30 days of Secretariat reporting as "Completed".	<p>Met</p> <p>The OIG validated all AMAs within the KPI timelines.</p>	<p>No change</p> <p>C2 100% of AMAs validated within 30 days.</p>
C3. Provide an annual assurance statement on governance, risk management and controls at Global Fund.	<p>Met</p> <p>In 2025, the OIG issued the 2024 Annual Opinion on Governance, Risk Management and Internal Controls: <u>OIG 2024 Annual Report</u>. The 2025 annual assurance statement will be provided in the 2025 OIG Annual Report</p>	<p>No change</p> <p>C3 Provide an annual assurance statement on governance, risk management and controls at The Global Fund.</p>


Performance objective	Progress as of 31 October 2025	2026 Performance Objective
C4. Completion of annual internal quality self-assessments to confirm ongoing conformance with IIA and CII requirements as per OIG QAIP.	Not Due The annual internal quality self-assessments to confirm ongoing conformance with IIA and CII requirements as per OIG QAIP will be conducted in January 2026 for the year 2025.	No change C4 Complete annual internal quality self-assessment .
C5. Performance of triennial external quality assurance review to confirm conformance with IIA and CII requirements.	Met The External Quality Assurance Review was carried out in 2024 and completed in 2025. Both the <u>audit</u> and investigations function fully conform with the relevant industry standards. Full reports can be viewed <u>here</u> .	No change C5 Complete triennial external quality assessment .
		New KPI C6 100% of actions from the <u>2025 triennial External Quality Assessment</u> to be completed on-time. <i>This KPI enables better reporting of actions from the External Quality Assessment.</i>

D. People and Culture


Performance objective	Progress as of 31 October 2025	2026 Performance Objective
D1. 100% of staff development plans have been approved by end of Q1 or within Global Fund HR agreed timelines.	Met 100% of staff had their development plans approved in the Human Resources system by Q1 2025.	No change D1 100% Staff development plans approved by end Q1.
D2. 100% of staff complete a minimum of 40 hours of formal training by year end.	In Progress At the end of October, 48% of OIG staff had reported the minimum training hours expected year to date. Formal training activities are expected to be completed and reported in Q4.	No change D2 100% Staff to complete 40 hours of formal training.
D3. 80% overall score in the employee satisfaction survey by year end.	Not Due The KPI will be measured by the end of the year.	No change D3 80% Satisfaction scores on employee engagement survey.

5.3 Summary of 2025 Published Reports

Audit of Global Fund Grants to the Republic of Mozambique GF-OIG-25-001

 The Global Fund's support in Mozambique has led to notable progress in combating HIV, TB, and malaria, with reductions in new infections and improved treatment outcomes. However, challenges persist in supply chain and laboratory systems efficiency, data quality improvement mechanisms, and coordination of community-based HIV interventions. Malaria incidence is rising, due to gaps in vector control and climate-related disruptions. Despite systemic issues, investments have enhanced health infrastructure and national program integration.

Audit of Global Fund Grants to the Republic of Kenya GF-OIG-25-002

 Kenya has made strong progress in reducing HIV, TB, and malaria burdens, surpassing UNAIDS 95-95-95 targets and achieving notable declines in disease incidence and mortality. However, gaps remain in the design of community-based interventions, especially for key and vulnerable populations, with rising HIV infections in some counties. Although TB incidence rate has reduced and DS-TB treatment coverage increased, multiple challenges exist for preventing and detecting tuberculosis. Procurement and supply chain delays, weak contract management, and underutilized health system investments have also hindered service delivery.


Investigation report - Global Fund Grants in Ghana *Failure of Principal Recipients to report allegations of SEAH* GF-OIG-25-003

Not rated Two Principal Recipients failed to comply with Global Fund requirements outlined in the Code of Conduct and the Grant Regulations by not reporting allegations and their investigation of various incidents of sexual exploitation, abuse and/or sexual harassment (SEAH). Although the respective implementers investigated the allegations, their response did not ensure adequate protection in line with a victim-centered approach. The failure to report also resulted in the Global Fund being unable to monitor and ensure that adequate support and protection for victims/survivors was offered by the implementers.


Investigation report - Global Fund Grants in Tanzania *Fraudulent practices in the selection of Sub-recipients by a Principal Recipient* GF-OIG-25-004

Not rated A Principal Recipient misled the Global Fund by misrepresenting the outcome of its sub-recipient selection process. The misrepresentation was intended to benefit the sub-recipient and one of its bidding partners, both of whom the Principal Recipient had conflicts of interest with. The Principal Recipient also failed to declare these conflicts of interest to the Global Fund.





Audit of Global Fund Grants to the Republic of Togo GF-OIG-25-005

 Togo has made progress in reducing HIV and TB burdens, but malaria incidence and mortality have increased, partly due to slow implementation and weak oversight of prevention interventions like the LLIN mass campaign. Late antenatal care and low treatment completion rates hinder prevention of mother-to-child transmission of HIV and malaria. Data quality issues at health facilities persist, despite RSSH investments.

Audit of Global Fund Grants to the Federal Republic of Nigeria GF-OIG-25-006

 Nigeria has made progress in reducing HIV, TB, and malaria mortality, but malaria cases continue to rise due to suboptimal intervention coverage and limited private sector engagement. HIV prevention among key populations faces significant implementation and funding challenges. Implementation delays for health system strengthening interventions have undermined progress with significant and persistent data quality issues. While there have been improvements in supply chain systems and financial safeguards, limited oversight, integration, and internal controls continue to undermine progress and sustainability.

Key: OIG Ratings

-  Effective: no issues or few minor issues noted
-  Partially effective: moderate issues noted
-  Needs significant improvement: one or some significant issues noted
-  Ineffective: multiple significant and/or (a) material issue(s) noted

Audit of Global Fund Grants to the Islamic Republic of Pakistan GF-OIG-24-008

- ● ● Despite progress in TB notifications and malaria response, weak governance and limited national strategic direction have undermined impact, resulting in rising HIV infections and AIDS-related deaths, and suboptimal quality of care in TB. Fragmented supply systems and local procurement delays reduce commodity visibility and disrupt grant implementation through stock-outs, expiries, and diversion. Financial controls are generally strong, but recruitment and procurement non-compliances persist.

Audit of Global Fund Human Resources Key Processes GF-OIG-25-009

- ● The audit revealed weak oversight of outsourced processing, leading to undocumented tax equalization payments and inadequate controls to prevent duplicate benefits payments. Non-compliance with data retention policies has resulted in human resource data being improperly stored, risking data loss and potential legal and reputational issues. While background check processes showed no major issues, improvements are needed to enhance recruitment effectiveness.

Thematic Audit of Global Fund Country Team model and supporting functions GF-OIG-25-010

- The audit concluded that the Global Fund's Country Team Model is generally effective in improving collaboration and grant management, but only partially effective overall. While it has enabled strong relationships and adaptability, gaps remain in consistently leveraging technical expertise, defining roles, and linking performance management to strategic outcomes. Resource constraints and uneven allocation across portfolios have increased workload pressures and sustainability risks. Key recommendations include standardizing processes for technical teams, strengthening accountability, optimizing implementation support capacity, and making resource allocation more data-driven and differentiated, to better address portfolio complexity.

Investigation report - Global Fund Grants in Malawi GF-OIG-25-011

- Not rated A Global Fund Principal Recipient (PR) engaged in fraudulent practices during 2020–2021 IRS campaigns, involving fake invoices from a vehicle supplier and fraudulent payments by PR finance staff, resulting in non-compliant transactions. Poor record-keeping prevented the OIG from determining the compliance of additional vehicle hire expenditures. The PR failed to consistently communicate the Global Fund Code of Conduct to suppliers, as required. Oversight mechanisms were ineffective, allowing these practices to occur. Following internal and OIG investigations, the PR terminated implicated staff, ceased business with involved suppliers, and strengthened internal controls through system enhancements, centralization, and digitalization of core functions. The PR committed to fully implementing Code of Conduct requirements, and improving due diligence and monitoring of vehicle hire contracts.

Rapid Assurance Audit: Reduction of GC7 Country allocations GF-OIG-25-013

- In 2025, the Global Fund Secretariat implemented a rapid process to reduce Grant Cycle 7 (GC7) country allocations due to funding uncertainties, resulting in an average 11% reduction in budgets within 6.5 weeks. The approach combined formulaic reductions of unexecuted grant budgets with qualitative adjustments (QA) that considered country-specific factors such as bilateral funding and programmatic needs. The process was equitable and well-structured, with accurate data and robust internal reviews. Governance bodies received timely updates, and while no material issues were identified, the review highlighted areas for improvement, including data transparency, QA guidance, and future funding flexibility.

Advisory of Global Fund Risk Management processes for country-facing risks GF-OIG-25-014

- Not rated The advisory highlights the Global Fund's progress in strengthening its Enterprise Risk Management (ERM) framework and identifies opportunities to enhance its effectiveness. While the framework is comprehensive and maturing, its application across country portfolios lacks consistency, and some processes are overly compliance-driven. To improve strategic decision-making, the report recommends revising the risk appetite framework to better guide trade-offs, tailoring risk reporting to align with strategic priorities, and enhancing coordination among assurance providers. It also proposes three oversight models to streamline risk management roles and responsibilities, aiming to foster a more agile, responsive, and impactful approach to managing country-facing risks.

Key: OIG Ratings

- Effective: no issues or few minor issues noted
- Partially effective: moderate issues noted
- Needs significant improvement: one or some significant issues noted
- Ineffective: multiple significant and/or (a) material issue(s) noted

5.4 Summary of Substantiated Cases Closed without Published Reports

Not all investigations result in a published report.

- When allegations are unsubstantiated—whether in OIG-led or oversight cases—they are documented through internal case closure memoranda, and in some instances, an MBN is issued where material integrity risks or lessons learned warrant attention.
- For substantiated allegations, a published report may not be necessary when the wrongdoing had minimal impact on the program, offered no significant lessons learned, or when proportionate corrective action had already been taken by the implementer or Secretariat. In such cases, the OIG issues an MBN summarizing key findings, recommendations, and lessons learned.

As of October 2025, eight substantiated cases were closed through MBNs, confirming instances of fraud, abuse, and non-compliant amounts; however, these findings were either immaterial or had been appropriately addressed prior to closure.

Wrongdoing type	What happened?	Action
SEAH (1 case)	A senior official engaged by a sub-recipient to mobilize Adolescent Girls and Young Women (AGYW) programs sexually exploited program beneficiaries by soliciting sexual favors in exchange for preferential access to vocational training and other benefits.	The official was terminated by the sub-recipient and is not re-engaged under the Global Fund GC7 funding cycle. The Global Fund Ethics Office plans to provide online training and materials to Principal Recipients on the Global Fund Code of Conduct following the OIG sharing of the investigation observations. The training will include cascading the Code of Conduct down to all stakeholders involved in Global Fund-funded programs.
Misappropriation of funds (4 cases in 3 countries)	<p>Three substantiated cases identifying non-compliant amounts of US\$242,057 in 3 countries confirmed:</p> <ul style="list-style-type: none"> • That officials from Principal Recipient (PR), sub-recipient (SR) field staff, and others were involved in fraudulent, corrupt, and collusive practices, while the PR's distribution agent committed embezzlement and unidentified individuals engaged in theft. • Staff of the PR engaged in fraudulent practices and misappropriation by falsifying various documents. • Sub-recipient staff and contractors engaged in fraudulent practices, including failing to disclose conflicts of interest in relation to Global Fund-funded training activities. • A sub-recipient engaged in embezzlement of surplus bed nets and falsified payment records 	Employees involved in confirmed wrongdoing were dismissed, and funds were or are in the process of being recovered.

Wrongdoing type	What happened?	Action
Collusion in procurement and product fraud (3 cases in 3 countries)	<p>Three substantiated cases in three countries confirmed:</p> <ul style="list-style-type: none"> ● Collusive practice between vendors and, in parallel, a fraudulent practice by SR staff in which they falsified procurement evaluation records to make the process appear competitive. The award for the related US\$3million contract was cancelled by the implementer upon receipt of the allegation, resulting in no harm to the program. ● Fraudulent practices by vendors contracted to build hospital oxygen plant facilities, where the vendors knowingly submitted a forged performance guarantee of US\$27,500 and misrepresented their engineering staff to secure the tender. Both vendors and their principals were referred for sanctions by the implementer, but the project continued with oversight and no financial loss to the grant. ● Substandard goods delivered for malaria prevention campaign from vendor. This resulted in items delivered that differed from approved samples and did not meet minimum technical requirements. 	In all cases, relevant vendors, staff of sub-recipients have been sanctioned or dismissed, strengthening procurement and supply chain practices, improving documentation, segregation of duties, and establishing a centralized complaints mechanism.

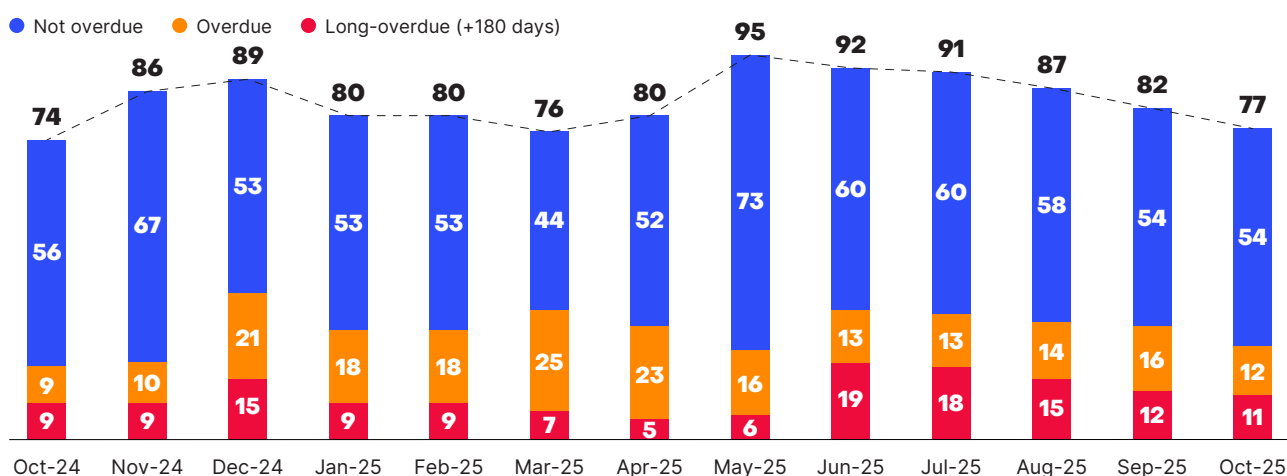
5.5 Progress update on Agreed Management Actions

Progress in addressing AMAs

As of 31 October 2025, there were 77 open AMAs, with 45 implemented and closed since end of October 2024. This includes three AMAs written off as the remaining residual risks were accepted by management. 48 new AMAs arose from OIG audits and investigations between end-October 2024 and end-October 2025.

Although many AMAs are opened and closed throughout the year, the number of open AMAs has remained generally stable over the past 13 months, as shown below:

Figure 10
AMA evolution from October 2025 - October 2025



View the updated status of AMAs by following this [link](#)

At the country level, 52% of closed AMAs relate to high impact portfolios in nine countries, contributing to the improvement of (i) Supply Chain and Commodity Management, (ii) Programmatic Performance and Data Quality, and (iii) Oversight, Governance, and Management.

The closed AMAs have contributed to improvements in key corporate and country-level processes. For instance, one AMA contributed to the establishment of a framework and guiding principles on the payment for results (PFR) modality, setting foundations for future implementation by ensuring that payments are linked to verified results and strengthening accountability. Another AMA strengthened the monitoring and oversight framework over Key Management Actions (KMAs), including ensuring that KMAs clearly articulate roles and responsibilities, and periodic monitoring and reporting requirements.

Overdue and Long Overdue AMAs

While timely implementation of AMAs continues to be a challenge, 83% (35 of 42) of AMAs closed in 2025 were overdue or long-overdue, highlighting the Secretariat's effort to address long outstanding actions. Additionally, almost two-thirds (15 of 23) of open overdue and long-overdue AMAs are already over 50% complete, meaning that mitigating actions have already been taken, or have started - however they have not been closed because critical parts of the actions remain outstanding.

Continued focus is critical to ensure more timely implementation of AMAs. Cross-cutting AMAs that address strategic issues typically require longer timelines, as they involve alignment across multiple departments and complex approval processes. Similarly, AMAs established to address significant issues - such as programmatic performance or health services and products - often take more time because they require broader health system improvements and engagement with various in country actors including ministries, donors, and implementing partners, all within an evolving country context.

Figure 11

OIG estimated completion rate of open AMAs as of 31 October 2025

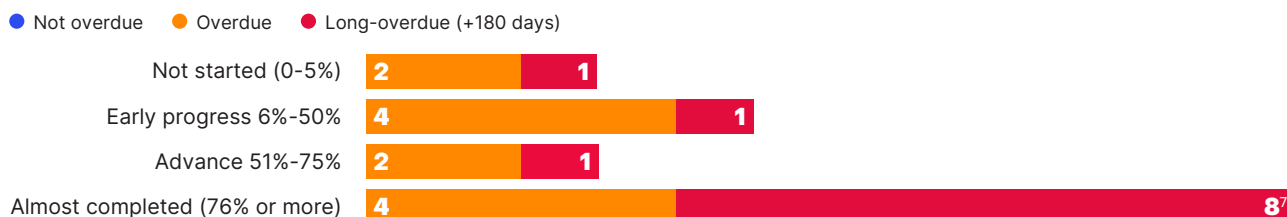
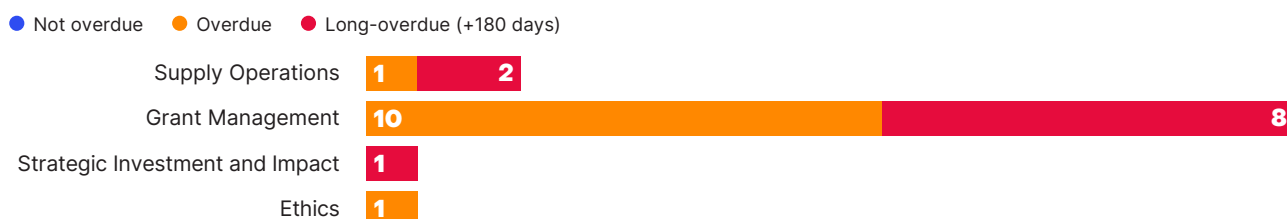


Figure 12

Overdue and long overdue AMAs by department as of 31 October 2025



Progress in implementing overdue AMAs is also influenced by external factors beyond Secretariat’s control. Significant changes in health funding and bilateral partnerships have forced countries to reprioritize activities, resulting in delays to AMA implementation.

No long-overdue AMAs are highlighted for the Board’s attention in this reporting period. This is because the Secretariat has made sufficient and steady progress in implementing outstanding actions in a difficult context.

AMAs written off

For this reporting period, the Secretariat with endorsement from the Head of the Risk Department has accepted the residual risk of three AMAs in the *Audit of Global Fund Grants in the Republic of Burundi* and *Audit of Global Fund Grants to the Republic of Namibia*. Certain components of the AMAs were completed; however, for the remaining areas, partial write-offs were approved, due to shifts in programmatic priorities driven by evolving country contexts and funding constraints, with the Secretariat formally accepting the residual risks. For example, in Burundi, the initiative to revise the index testing approach to increase the proportion of children under 15 years living with HIV was deprioritized, to align with the overall Secretariat’s guidance on reprioritization. This action does not materially affect overall HIV programmatic performance, which reached 93–98–89 in 2023,⁸ and the Secretariat will continue to assess pediatric ART coverage and PMTCT coverage via enhanced monitoring of key performance metrics.

AMA process: Looking to 2026 and beyond

Given the current context, the OIG is committed to reviewing the relevance of the existing AMA process. Beyond the AMAs that have already been written off, the OIG will initiate a series of consultations with Secretariat colleagues and relevant governance officials, to assess whether the process should be enhanced or replaced with an alternative mechanism, to improve accountability for mitigating actions arising from OIG work.

7 This includes one overdue AMA Audit Global Fund grants to the Republic of Sudan that can not be implemented due to ongoing conflict

8 UNAIDS data - Burundi (accessed on 26 November 2025)